

Message Text

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ACTION EUR-12

INFO OCT-01 EA-07 ISO-00 AID-05 CIAE-00 EB-08 FRB-03
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R 151505Z AUG 77
FM AMEMBASSY MOSCOW
TO SECSTATE WASHDC 993
USDOC WASHDC
INFO AMEMBASSY BELGRADE
AMEMBASSY BERLIN
AMEMBASSY BUCHAREST
AMEMBASSY BUDAPEST
AMCONSUL HONG KONG
USMISSION NATO
USLO PEKING
AMEMBASSY SOFIA
AMEMBASSY WARSAW

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USDOC FOR BEWT/TDAD

BELGRADE HOLD FOR US DEL CSCE

E.O. 11652: N/A
TAGS: EEWT, BTIO, UR, CH, CSCE
SUBJECT: THE MINISTRY OF FOREIGN TRADE ARRANGES A FACTORY VISIT

REF: MOSCOW 10272 (NOTAL)

SUMMARY: PRESUMABLY WITH AN EYE ON IMAGE, THE SOVIET MINISTRY OF
FOREIGN TRADE (MFT) ARRANGED A GUIDED TOUR AUGUST 9 FOR ECONOMIC/
COMMERCIAL OFFICERS IN MOSCOW EMBASSIES SUPPLEMENTED BY RESIDENT
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BUSINESSMEN, OF A FACTORY PRODUCING EIGHT-TON ZIL TRUCKS.
DESPITE THE CANNED NATURE OF THE PRESENTATION - A BLAND SPEECH,
COLOR FILM, BUS RIDE THROUGH THE GROUNDS AND A STROLL DOWN THE
ASSEMBLY LINE - THOSE ATTENDING SEEMED PLEASED BY THIS UNUSUAL (FOR
MOSCOW) DIVERSION. IN PRIVATE CONVERSATION DURING COCKTAILS AT CLOSE
OF VISIT, A CHINESE EMBASSY OFFICIAL WAS MOST ANXIOUS TO RECEIVE
US EMBASSY E/C COUNSELOR'S CONFIRMATION THAT WE HAD BETTER AND HIGHER

QUALITY FACTORIES IN THE US. END SUMMARY.

1. E/C COUNSELOR AND USCO DIRECTOR ATTENDED AUGUST 9 TOUR OF LOCAL ZIL FACTORY ORGANIZED BY MFT PROTOCOL SECTION FOR LOCAL DIPLOMATIC COMMUNITY. APPARENTLY BECAUSE ITS AUGUST 8 TELEPHONIC NOSECOUNT REVEALED THAT ATTENDANCE WOULD BE SMALL, WITH MANY KEY COUNTRIES UNREPRESENTED (WE SAW NO RANKING GERMAN, JAPANESE, FRENCH, ITALIAN OR BRITISH DIPLOMATIC COLLEAGUES), MFT WITH LESS THAN 24 HOURS NOTICE INVITED A NUMBER OF RESIDENT BUSINESSMEN TO JOIN THE GROUP.

2. PERFORMANCE ITSELF WAS UNEXCEPTIONAL. IT BEGAN WITH BRIEF, BLAND AND BARELY AUDIBLE REMARKS IN RUSSIAN BY ZIL GENERAL DIRECTOR PAVEL BORODIN, A MEMBER OF THE CENTRAL COMMITTEE OF THE CP, USSR, WHO STATED THAT FACTORY RPRODUCES SOME 750 EIGHT-TON TRUCKS DAILY. IN RESPONSE TO THE ONLY QUESTION POSED, HE SAID ZIL EMPLOY OVER 100,000 WORKERS IN ITS VARIOUS PLANTS. FOLLOWING A COLOR FILM FEATURING THE BREZHNEV VISIT TO ZIL, THE GUESTS WERE DRIVEN ABOUT THE GROUNDS IN THREE BUSES. (THE SIZE AND SELF-CONTAINED NATURE OF THE PLANT GAVE SOMETHING OF THE APPEARANCE OF A COMPANY TOWN.) GROUP THEN HAD A WALK THROUGH THE PLANT'S ASSEMBLY LINE, WHERE ONE TRUCK COMES OFF EVERY EIGHTY SECONDS. OUR IMPRESSIONS FROM THIS WALK THROUGH, SUPPLEMENTED BY COMMENTS BY KNOWLEDGEABLE AMERICAN BUSINESSMEN ACCOMPANYING, ARE AS FOLLOWS:

-- THERE WAS A RELATIVELY HIGH DEGREE OF MECHANIZATION, WHICH SOME BUSINESSMENT THOUGHT WAS QUITE SIMILAR TO US PRACTICE;
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-- THE PLANT WAS IMPRESSIVELY CLEAN, AS SOME BUSINESSMEN NOTED WITH APPROVAL (HOWEVER, ONE CONTRASTED IT TO A PREVIOUS, ROUTINE VISIT TO THE PLANT WHEN IT HAD BEEN TREACHEROUS WALKING BECAUSE OF THE GREASE ON THE FLOOR);

-- WORKERS WORE ALMOST NO SAFETY EQUIPMENT AND NO SAFETY PRECAUTIONS WERE IN EVIDENCE (IN THIS CONNECTION IT IS NOTEWORTHY THAT TOUR GUIDES ANNOUNCED FACTORY WAS ESTABLISHING A NEW HOSPITAL FOR WORKERS AND THEIR FAMILITES AND THAT BIDS FOR NEW EQUIPMENT SHOULD BE DIRECTED

TO FTO MEDEXPORT, 31 UL. KAKHOVKA, BLOCK 2, MOSCOW 113461);

--ALTHOUGH TRUCKS WERE DRIVEN OFF ASSEMBLY LINE AND APPARENTLY GIVEN SOME ONCE-OVER LIGHTLY, THERE WAS NO HUMAN OR MECHANICAL QUALITY CONTROL EVIDENT AT ANY POINT ON THE LINE;

--PERSONNEL, INCLUDING A NUMBER OF INDIVIDUALS WHO APPEARED TO BE FROM THE ASIAN PARTS OF THE USSR, SHOWED GOOD LABOR DISCIPLINE; THEY PAID NO ATTENTION TO THE VISITORS, AND THERE WAS NO OPPORTUNITY FOR CONVERSATION WITH ANY WORKERS DURING THE WALK THROUGH.

3. DURING COCKTAILS AFTER THE VISIT A CHINESE EMBASSY OFFICER
PRESSED E/C COUNSELOR TO COMPARE SOVIET ASSEMBLY LINE WITH US
FACTORY METHODS. HE WONDERED WHETHER US COULD NOT PRODUCE TRUCKS
AT FASTER SPEED THAN SOVIETS. OFFICER SEEMED EAGER TO ELICIT A
POSITIVE RESPONSE AND PRACTICALLY PUT WORDS IN OUR MOUTH IN SAYING
THAT US QUALITY WAS HIGHER. IN RETURN, CHINESE OFFICIAL WAS ASKED
TO COMMENT ON PROSPECTS FOR SINO-SOVIET ECONOMIC RELATIONS IN LIGHT
OF RETURN TO RESPECTABILITY OF TENG. AFTER REFLECTING A MOMENT,
HE REPLIED : "NOTHING WILL CHANGE."

4. COMMENT: MFT-ORGANIZED FACTORY VISIT IS PROBABLY TO BE SEEN IN
FRAMEWORK OF SOVIET EFFORT TO LOOK MORE OPEN AND FORTHCOMING IN
BUSINESS/COMMERCIAL MATTERS, IN LIGHT OF BELGRADE CSCE FOLLOW-UP.
FIRST STEP IN THIS DIRECTION WAS JULY 12 SPEECH BY MFT CHIEF PLANNER
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KLOCHEK (REFTEL), WHO INCIDENTALLY SAT SILENTLY ON THE PODIUM BK SPOKE.
ALTHOUGH THERE WAS TECHNICALLY AN OPPORTUNITY TO
POSE QUESTIONS, THE CIRCUMSTANCES DISCOURAGED THIS. KLOCHEK GOT NO
QUESTION ON JULY 12 AND BORODIN BUT ONE ON THIS OCCASION. HENCE
THESE FUNCTIONS ARE VERY MUCH UNDER CONTROL WITH VERY LIMITED RISK
THAT ANYONE WILL LEARN ANYTHING NEW. FACTORY VISIT WAS, ALBEIT,
CONSIDERABLY MORE INTERESTING THAN KLOCHEK'S DULL PERFORMANCE,
ALTHOUGH PROBABLY NOT MUCH MORE INFORMATIVE. WHILE IT IS POSSIBLE
THAT ONCE NOVELTY WEARS OFF, SOVIETS WILL HAVE TO OFFER MORE
SUBSTANCE TO ATTRACT THE CROWDS, THEY ARE AT THIS POINT BUILDING
A CASE AND A LITTLE GOOD WILL.
TOON

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